Government of Saskatchewan

Annual Report 2004-2005

Saskatchewan Beef Development Fund

Saskatchewan Centennial 2005

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Letters of Transmittal

To Her Honour,
The Honourable Linda Haverstock
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to submit herewith the Annual Report of the Saskatchewan Beef Development Board for the twelve months ending March 31, 2005.

I have the honour to be, Madam,

Your obedient servant,

Mark Wartman
Minister of Agriculture and Food

August 2005

The Honourable Mark Wartman
Minister of Saskatchewan Agriculture and Food
Room 302, Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Sir:

I am pleased to present herewith the Annual Report of the Saskatchewan Beef Development Board for the twelve months ending March 31, 2005.

Respectfully submitted,

Keith Howse, Chairperson
Saskatchewan Beef Development Board

The Beef Development Fund

The Beef Development Fund (BDF) supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to production research, technology transfer, and development and promotion of new products.

The fund was established in 1994 utilizing funds saved due to the termination of the National Tripartite Stabilization Program for Cattle and the marketing surplus from the Saskatchewan Beef Stabilization Board marketing account.

Approval Process

After each deadline date, project proposals are reviewed and considered for approval by the BDF Board. Applicants are advised of the Board's decision within 60 days. Successful applicants are invited to enter into a contract with the Saskatchewan Beef Development Fund.

Applications Forms

Applicants can use Saskatchewan Agriculture and Food Agriculture Development Fund (ADF) Project Application Forms, available from the Agriculture Research Branch of Saskatchewan Agriculture and Food, Room 226, 3085 Albert St., Regina, Saskatchewan, S4S 0B1. These forms can also be downloaded from the Research section of the Saskatchewan Agriculture and Food website at www.agr.gov.sk.ca.

Application Dates

The deadline for applications is January 15 of each year.

Funding

Approved projects are eligible for funding of up to 100 per cent of eligible costs. The decisions are based on the benefit to the beef industry.

Eligible Costs

- professional or technical salaries and fees
- equipment rentals
- materials and supplies
- project travel
- workshop or seminar costs

Ineligible Costs

- overhead expenses
- purchase of land or buildings
- major capital expenses
- expenditures made on a project prior to BDF funding approval

Project Details

When applying for project funding, it is important for applicants to provide as much detail as possible. Board decisions are based on the information provided in the applications.

Details should describe the following items thoroughly:

- the justification for and impact of the project
- budget details (include quotes if applicable)
- co-investigators (include support or assistance provided)
- potential market or markets

Board Personnel

Board of Directors

Mr. Keith Howse, Chairperson ..... Pangman
Ms. Sandra Schneider (member at large) .. Medstead
Mr. Harold Yelland ..... Porcupine Plain
Mr. Calvin Knoss ..... Rockglen
Mr. George Siemens ..... Fiske
Mr. Lorne Cholin ..... Kerrobert

Staff

Staff services are provided through the Agriculture Research Branch and Corporate Services Branch of the Saskatchewan Department of Agriculture and Food.

Mr. Bob Drysdale ..... Secretary
Mr. Ken Petruic ..... Financial Manager
Ms. Tammy Bast ..... Database Co-ordinator/ Financial Records

Activities Report 2004 - 2005

This report covers the 2004-05 fiscal year of operation of the Saskatchewan Beef Development Board (SBDB).

Background

The Saskatchewan Beef Development Board (SBDB) was established on June 28, 1994, to administer the Beef Development Plan and utilize the funds saved due to the termination of the National Tripartite Stabilization Program and the surplus from the Saskatchewan Beef Stabilization Board marketing account.

The funding available to the SBDB on a one-time basis was $1.8 million from the Saskatchewan Beef Stabilization Board marketing account and $1.4 million from the provincial government for the transition Beef Industry Development Fund (to replace the provincial share in the National Tripartite Stabilization Program funds).

The SBDB supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to production research, including nutrition, management, disease prevention and pest control, reproduction, animal welfare, and environmental impact, technology transfer, and development and promotion of new products.

Activities in 2004-05

The SBDB held meetings on October 4, 2004 and March 7, 2005. At the October meeting, the Board welcomed the research reports presented by Drs. M. Drew, J. McKinnon and P. Shand on crop fractionation and utilization by livestock; nutrient requirements, annual forages, and barley products for export; and beef processing, particularly for beef from mature animals. At the March meeting, the Board approved funding for four research projects and revised funding for a previously approved project. The new approvals centered around verified quality beef production, low cost winter feeding systems, environmental monitoring for wastes around feedlots and for contamination persistence for Johne's Disease-infected cattle operations.

BDF Completed Projects

The salient decisions of the SBDB during the year 2004/2005 include:

- The SBDB approved its budget for 2004-05 fiscal year.
- The SBDB approved the update of the allowable expenditure processes for the Board members.

19950337 - SEMEN COLLECTION IN BEEF BULLS

- to explore an alternative means to electro-ejaculation for semen collection from untrained beef bulls

Barth, Albert, Veterinary Teaching Hospital/Herd Medicine, Western College of Veterinary Medicine, University of Saskatchewan, 52 Campus Dr., SASKATOON SK S7N 5B4

19950338 - MAPPING PRODUCTION AND CARCASS TRAITS BY MICROSATELLITE TYPING IN BEEF REFERENCE FAMILIES

- to make extensive use of the bovine gene map to find genetic linkage between production and carcass quality data and genetic markers in beef reference families, a process known as reverse genetics

Mackay, George, Bova-Can Parentage Testing Inc., 15 Innovation Blvd., SASKATOON SK S7N 2X8

19950339 - DEVELOPMENT OF SIMPLE BLOOD TESTS TO IMPROVE DETECTION OF DISEASE

- to develop rapid, accurate, and cost-effective methods for monitoring disease in cattle
- to develop tests to measure aspects of the early inflammatory response which will be of diagnostic and prognostic value

Godson, Dale, VIDO, 120 Veterinary Road, SASKATOON SK S7N 5E3

19950340 - THE INDUSTRIAL REORGANIZATION OF THE BEEF PRODUCTION INDUSTRY: SASKATCHEWAN'S NICHE

- to investigate the industrial reorganization that is currently taking place in the beef production industry in North America
- to determine where Saskatchewan's niche can best be developed
- to accomplish preparing a comprehensive business plan which will include a human resource plan, a marketing plan, an operations plan, and a financial plan

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19950341 - INVESTIGATION OF INTERLEUKIN-8 EXPRESSION IN BOVINE PNEUMONIA AND ARTHRITIS

- to determine whether interleukin-8, a protein made in diseased tissue that acts to cause infiltration of neutrophils (a type that often causes tissue damage), is made in tissues from cattle with naturally occurring pneumonia or arthritis

Sorden, D. Steven, Veterinary Pathology, VIDO, 52 Campus Drive, SASKATOON SK S7N 5B4

19950343 - BEEF PRODUCT QUALITY PROGRAM

- to establish an applied research and new product development capability specifically for beef

Shand, Phyllis, Saskatchewan Food Innovation Program, University of Saskatchewan, 51 Campus Dr., SASKATOON SK S7N 5A8

19950344 - DEMONSTRATION OF AUTOMATED ULTRASOUND GRADING SYSTEM TO COW-CALF OPERATORS, LARGE COMMERCIAL BEEF FEEDLOT OPERATORS AND PURE BREED OPERATORS

- to improve the software package developed in Phase III by providing feedback from demonstrations
- to improve the usability of the marbling software by understanding the needs of users
- to develop a strategy to market Saskatchewan beef based upon the effective use of predicting carcass grade in cattle destined for Canadian, U.S. and other international markets
- to evaluate the performance of field tests at bull test stations

Johannesen, Sharron, Saskatchewan Cattle Feeders, Site 12 GB 259 RR4, SASKATOON SK S7K 3J7

19950345 - IMMUNOCASTRATION OF BULLS: EFFECTS ON AGGRESSIVE BEHAVIOR AND CARCASS QUALITY

- to eliminate aggressive behavior in feedlot bulls especially during the finishing phase, capitalize on the superior growth, feed efficiency and lean carcass yield observed in bulls, eliminate dark cutting and reduced tenderness observed in bulls and to test an alternative humane castration procedure

van Kessel, A.G., Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

19950346 - REQUEST FOR DEVELOPMENT OF A BUSINESS PLAN AND INITIAL SEED MONEY FOR THE ESTABLISHMENT OF A BEEF RESEARCH CENTRE

- to develop a business plan and initial seed money for the establishment of a beef research centre

Laarveld, Bernard, Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

19950347 - INTEGRATED BACKGROUNDING AND FINISHING SYSTEMS FOR SPECIFIC MARKETS (MELFORT PHASE)

- to develop new pasture and forage based systems for lower production costs for backgrounding calves
- to determine the economics of the various new forage backgrounding systems

McCartney, Duane, Agriculture and Agri-Food Canada, 6000 C and E Trail, LACOMBE AB T4L 1W1

19950359 - FALL AND WINTER BACKGROUNDING OF BEEF CALVES ON PASTURE

- to evaluate the production and economic feasibility of growing weaned beef calves from 550 lb. to 900 lb. on pasture during fall and winter in southwestern Saskatchewan

Jefferson, Paul, G., Agricultureand Agri-Food Canada, P.O. Box 1030, SWIFT CURRENT SK S9H 3X2

19950362 - BOVINE TRICHOMONIASIS: PREVALENCE IN SASKATCHEWAN AND IMPROVED DIAGNOSTIC METHODS

- a province-wide survey of veterinary practitioners will give accurate data on the prevalence and risk factors for infections. The sensitivity and specificity of the present diagnostic methods for trichomoniasis are unsatisfactory. Required improvements will be sought, tested and made available to laboratories and veterinarians

Campbell, John, R., Department of Herd Medicine, University of Saskatchewan, 52 Campus Drive SASKATOON SK S7N 5B4

19950364 - ORAL VACCINATION OF NEONATAL CALVES: INDUCTION OF LONG TERM IMMUNITY

- The adenovirus vaccine vector offers an effective method to deliver vaccine antigens directly to the site where immune responses first develop in newborn calves and in this way bypass problems associated with the immature system of newborn calves. Furthermore, the delivery of antigens directly to the site where the immune system first develops may induce lifelong immunity. Finally, oral immunization offers the potential advantage of being incorporated with current management practices (i.e. eartagging and dehorning newborn calves)

Griebel, Philip, VIDO, 120 Veterinary Road, SASKATOON SK S7N 5E3

19950365 - SERIES OF BOVINE INFORMATION BROCHURES

- to assist both new as well as existing producers. By providing knowledge of the symptoms, cause and treatment of common ailments found in modern cattle production, we hope to reduce the number of downer and condemned animals filtered through the auction markets

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

19950366 - TO ESTABLISH "SASKBEEF" AS A NEUTRAL BEEF INDUSTRY FORUM

- to bring all stakeholders, involved in the development of the beef industry in Saskatchewan, together in an ongoing open forum. To provide an industry-wide team approach to promote the development of the beef industry

Braaten, Milt, Saskatchewan Cattle Feeders Association, Box 116, ABBEY SK S0N 0A0

19990392 – BEEF QUALITY ASSURANCE AND FOOD SAFETY PROJECTS FOR SASKATCHEWAN

- to provide a technical and program update to qualified speakers in Saskatchewan
- to focus communication efforts and assess communication tools/program
- to assist administration of projects in Parts A, B, C, and E
- to cover costs of speaker expenses

Smith, Nikki, Saskatchewan Beef Quality Working Group, Site 12 GB 259 RR4, Saskatchewan Cattle Feeders Association, SASKATOON SK S7K 3J7

19960291 - ALTERNATIVE METHODS OF SEMEN COLLECTION IN BEEF BULLS

- to develop alternative methods for routine semen collection from untrained beef bulls

Barth, Albert, Veterinary Teaching Hospital/Herd Medicine, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

19960292 - CATTLE FACS

- to assist both new as well as existing producers
- to provide knowledge of the symptoms, cause and treatment of common ailments found in modern cattle production

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

19960295 - A RISK MANAGEMENT OPTION FOR THE SASKATCHEWAN COW-CALF PRODUCER

- to examine the potential benefits of a cow-calf/backgrounder price risk management tool that uses the Chicago Mercantile Exchange Feeder Cattle Futures contracts

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19960296 - DEMAND FOR VALUE ADDED BEEF PRODUCTS

- to assess the current and potential status of further processing of manufacturing and grinding beef in Saskatchewan in a Canadian context
- to investigate the consumer preferences of such processed products
- to examine the domestic marketing chain for beef products

Shand, Phyllis, Saskatchewan Food Talk, University of Saskatchewan, 51 Campus Drive SASKATOON SK S7N 5A8

19960301 - IMPACTS OF LIVESTOCK PENNING ON GROUNDWATER QUALITY

- to characterize existing feedlots as to the amount and rate of transport of materials from feedlot manure through the unsaturated soil system and the saturated groundwater system

Maule, Charles, Engineering, Agricultural Bioresources, University of Saskatchewan, 57 Campus Drive, SASKATOON SK S7N 5A9

19960379 - OPTIMIZING PASTURE PRODUCTION BY USING MIXTURE OF NATIVE SHRUBS AND LEGUMES IN SOUTHWESTERN SASKATCHEWAN

- to optimize mixtures of shrubs and forbs for economical production of pasture
- to obtain better understanding of mutual benefit of combinations of native forage shrubs and legumes to further improve their productivity

Schellenberg, M.P., Agriculture and Agri-Food Canada, Box 1030, SWIFT CURRENT, SK, S9H 3X2

19970177 - CORE FUNDING FOR THE FOUNDATION FOR ANIMAL CARE SASKATCHEWAN INC.

- to secure a three-year Corporate Membership from the Saskatchewan Beef Development Fund to contribute as a Core Funder

Buettner, Adele, Farm Animal Council, 502-45th Street West, 2nd Floor, SASKATOON SK, S7L 6H2

19970375 - NOVEL VACCINE DELIVERY METHODS

- to examine methods of vaccine delivery, intranasal and transdermal
- to compliment the ongoing research in this area at VIDO

Baca-Estrada, Maria, VIDO, 120 Veterinary Road, SASKATOON SK, S7N 5E3

19970380 – DEVELOPMENT OF BOVINE ANDENOVIRUS AS A VECTOR

- to develop adenovirus as a vector to deliver vaccines

Babiuk, Lorne, VIDO, 120 Veterinary Road, SASKATOON SK S7N 5E3

19970382 - AN ECONOMIC ANALYSIS OF RETAINED OWNERSHIP STRATEGIES

- to analyze the impact of alternative ownership strategies on profitability and cash flow of cow/calf producers in Saskatchewan

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19980226 - "REACHING THE ROOTS" APPRISING CATTLE PRODUCERS OF QUALITY IMPROVEMENT TARGETS AND MANAGEMENT METHODS

- to increase the awareness of factors influencing the quality and safety of beef products "from pasture to plate"

Smith, Nikki, Saskatchewan Cattle Feeders, Site 12 GB 259 RR4, SASKATOON SK, S7K 3J7

19980230 – FIELD TEST METHOD FOR BLUE-GREEN ALGAE TOXINS

- to develop and/or verify a cost-effective and practical field test kit that can be used to detect the presence or absence of the toxins produced by blue-green algae within any type of water supply prone to their growth

Bauer, Jim, Canadian Water Resource Association, P.O. Box 1329, CAMBRIGDE ON N1R 7G6

19980354 - DEVELOPMENT OF RATIONS FOR RED VEAL PRODUCTION WITH HOLSTEIN BULL CALVES

- to develop and evaluate cereal grain based rations for production of red veal

Christensen, D., University of Saskatchewan, 51 Campus Drive, Department of Animal and Poultry, SASKATOON SK S7N 5A8

19980356 - ELECTRIC FENCE ENERGIZER EVALUATIONS

- to evaluate a maximum of 12 electric fence energizers for effectiveness of this operation. These evaluations will be available to the public through PAMI's information services

Lucyshyn, Troy, PAMI, Box 1150, HUMBOLDT SK S0K 2A0

19980360 - VACCINE DELIVERY FOR ORAL IMMUNIZATION OF CALVES

- to develop vaccine delivery systems to orally immunize newborn calves

Griebel, Philip, VIDO, 120 Veterinary Rd., SASKATOON SK S7N 5E3

19980361 – EFFECTS OF CASTRATION TECHNIQUES AND ANESTHETICS ON BEHAVIOUR AND PERFORMANCE FEEDLOT BULLS

- to determine if pain of castration of feedlot bulls varies between surgical and rubber ring methods

Campbell, John, Department of Herd Medicine and Theriogenology, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

19980362 - INVESTIGATION OF THE ROLE OF BOVINE VIRUS DIARRHEA VIRUS AND MYCOPLASMA BOVIS IN CHRONIC PNEUMONIA OF FEEDLOT CATTLE

- to clearly define BVD virus, mycoplasma bovis and other agents in chronic pneumonia in feedlot cattle

Wobeser, A., Gary, WCVM, 52 Campus Drive, SASKATOON SK, S7N 5B4

19990188 - CORPORATE MEMBERSHIP IN FACS

- to secure a three year Corporate Membership from the Saskatchewan Beef Development fund to contribute as a support the Farm Animal Council's core activities

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502-45th St. W., 2nd Floor, SASKATOON SK S7L 6H2

19990391 – FOUNDING PARTNER MEMBERSHIP IN THE WESTERN BEEF DEVELOPMENT CENTRE INC

- to obtain a founding partner membership with the BDF and to continue to make an ongoing contribution to the production and distribution of information to beef cattle producers

LaClare, John, Western Beef Development Centre, 203-105 North Road, SASKATOON SK S7N 4L5

20000322 - HOT BOX COMPETITION

- to host a new organized events by the Regina Academy of Chefs and Cooks

Perrin, Joan, Beef Information Centre, #8 2010-7th Avenue, REGINA SK S4R 1C2

20000340 – AN ASSESSMENT OF WESTERN CANADIAN BEEF DEVELOPMENT

- –to investigate and analyse the implications of transforming cropland to livestock for at least two representative rural municipalities in Saskatchewan

Centre for Studies in Agriculture Law and Environment (CSALE), University of Saskatchewan, SASKATOON SK S7N 5A2

20010122 – DELIVERY OF ON-FARM QUALITY ASSURANCE TO SASKATCHEWAN PRODUCERS

- to hire a provincial on-farm delivery coordinator (in relation to the Canadian Cattleman's Quality Starts Here Program)

Smith, Nikki, Saskatchewan Beef Quality Working Group, Site 12 GB 259 RR4, Saskatchewan Cattle Feeders Association, SASKATOON SK S7K 3J7

20010340 – CANADIAN PRODUCTION RE: HIGH STATUS SEED OF THE U.S. PUBLIC FORAGE VARIETIES UNDER AGREEMENT WITH USDA/ STATE CROP IMPROVEMENT ASSOCIATIONS

- to access, quarantine, increase and release on a cost recovery basis genetic material not always available in Canada and/or where Canadian material access is restricted
- -work wherever possible with Canadian material even on a contract basis while encouraging more access be made for Canadian public funded releases

Pocock, Dale, Saskatchewan Crop Improvement Association, Box 749, NIPAWIN SK S0E 1E0

20010342 – PREVALENCE AND RISK FACTORS FOR E. COLI 0157:H7 IN WESTERN CANADIAN COW/CALF HERDS

- to measure the prevalence of E.coli 0157:H7 in the feces of calves from commercial herds at calving
- to describe risk factors at the herd and individual animal level for the occurrence of E.coli 0157:H7. To then use this information to aid in the development of management practices to decrease environmental and human health risks
- to determine to what extent this organism is associated with calf sickness and death loss in cow/calf herds

Waldner, Cheryl, Western College of Veterinary Medicine (WCVM), 52 Campus Drive, SASKATOON SK S7N 5B4

20010343 – CORPORATE MEMBERSHIP IN FACS

- to secure a three-year Corporate Membership for the Saskatchewan Beef Development Fund to contribute as a support to the Farm Animal Council's Core activities

Buettner, Adle, Farm Animal Council of Saskatchewan (FACS), 502 – 45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

20020005 - "DOWNER COW SYNDROME " IN BEEF COWS FED WINTERING RATIONS BASED ON GREEN FEED

- to work with a selected number of beef producers (five to six) in the northwest region of Saskatchewan to identify what factors led to the development of grass tetany/milk fever like symptoms in over 70 herds in the Northwest region of Saskatchewan during the 2002 calving season

McKinnon, John, Department of Animal and Poultry Science, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

20020254 – CATTLE FACS

- to expand on the Cattle FACS Series concept by producing a number of brochures relevant to drought related issues

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

BDF Ongoing Projects

20020240 – EVALUATION OF THE NRC 1996 FEED REQUIREMENTS FOR WINTERING BEEF COWS – ARE WE OVER FEEDING OUR COWS/ PHASE 2 LACOMBE ALBERTA

- to measure the actual energy requirements and energy expenditures of feed efficient beef cows in different body condition

McKinnon, John, University of Saskatchewan, Department of Animal Poultry and Science, 51 Campus Drive, SASKATOON SK S7N 5A8

20030604 – VALUE-ADDED BEEF PROGRAM

- to provide a coordinated research, new product development and process improvement . training in an effort to assist in the expansion and diversification of the Saskatchewan beef processing industry and to enable the province's meat processors to improve the efficiency and profitability of their operations

Shand, Phylis, University of Saskatchewan, Saskatchewan Food Innovation Program, 51 Campus Drive, SASKATOON SK S7N 5A8

20030609 – COPCRATE MEMBERSHIP IN FACS – 2005 to 2007

- to secure a three-year corporate membership from the Saskatchewan Beef Development Fund to contribute

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

20030610 – ECONOMICS OF FORAGE BASED PRODUCTION SYSTEMS FOR SASKATCHEWAN

- to determine the production potential and quality of new and established forages under grazed conditions
- to determine total beef production per acre from a managed twice-over rotational system (Manske)
- to determine the economic returns of forage and beef production from these pasture types
- to determine the net return to equity per acre from grazing grass, legume and mixed forage stands
- to used the results to make recommendations to Saskatchewan producers and SAF agrologists as to grazing and economic potential for these forages

Lardner, Bart, Western Beef Development Centre, 72 Campus Drive, SASKATOON SK S7N 5B5

Management Report

Management is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. It is the responsibility of management to prepare financial statements in accordance with generally accepted accounting principles in Canada.

The integrity of the financial records from which these financial statements are prepared is largely dependent on management's systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are appropriately recorded in order to permit preparation of financial statements; and, assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived therefrom.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board meets periodically with management to satisfy itself that management's responsibilities are properly discharged, and reviews and approves the financial statements and annual report.

The Provincial Auditor of Saskatchewan has audited the financial statements. His report to the Members of the Legislative Assembly, stating the scope of the examination and opinions on the financial statements, appears on the following pages.

The financial statements have been examined and approved by the Board.

Submitted by:

Mr. Doug Matthies
Deputy Minister
Saskatchewan Agriculture and Food

Mr. Ken Petruic
Manager, Financial Services
Saskatchewan Agriculture and Food

July 21, 2005

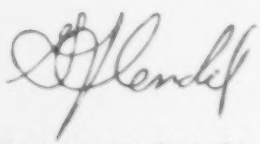
Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Beef Development Board as at March 31, 2005 and the statement of revenue, expense and net assets for the year then ended. The Board's management is responsible for preparing these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
July 21, 2005

Fred Wendel, CMA, CA
Provincial Auditor

Beef Development Board
Statement of Financial Position
As at March 31

	2005	2004
Assets		
Current assets		
Due from General Revenue Fund (Note 4)	$ 583,057	$ 730,500
Accrued interest receivable	3,555	4,579
	$ 586,612	$ 735,079
Liabilities And Net Assets		
Current liabilities		
Accounts payable	$ 11,909	$ 62
Net assets (Statement 2)	574,703	735,017
	$ 586,612	$ 735,079

(See accompanying notes to the financial statements)

Beef Development Board
Statement Of Revenue, Expense And Net Assets
For the Year Ended March 31

	Budget 2005 (Note 7)	2005	2004
Revenue			
Interest revenue	$ 20,727	$ 14,254	$ 25,306
Miscellaneous revenue	—	—	1,028
Total revenue	20,727	14,254	26,334
Expense			
Project expenses (Note 5)	222,495	162,905	136,927
Grants (Note 9)	—	7,500	—
Board expenses	5,000	3,080	3,311
Miscellaneous expenses	3,500	1,083	2,346
Total expense	230,995	174,568	142,584
Deficit for the year	$ (210,268)	(160,314)	(116,250)
Net assets, beginning of year		735,017	851,267
Net assets, end of year - to Statement 1		$ 574,703	$ 735,017

(See accompanying notes to the financial statements)

Beef Development Board
Notes To The Financial Statements
March 31, 2005

1. Authority

The Beef Development Board (Board) was established pursuant to Section 4 of The Agri-Food Act, 2004 to administer the Beef Development Plan. The Beef Development Plan was established effective June 28, 1994 to enhance the Saskatchewan beef and beef cattle industry through research, development and promotional activities that the Board considers to be in the best interests of the industry.

The Board administers the Plan through the Beef Development Fund.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting principles are considered significant:

a) Research and Development projects

Payments for research and development projects are recorded as project expenses when approved and the eligibility criteria, if any, have been met by the recipient.

3. Financial Instruments

Receivables/Payables

These financial instruments include items that are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates their fair value.

4. Related Party Transactions

Included in these financial statements are transactions with Saskatchewan Crown agencies related to the Board by virtue of common control or significant influence by the Government of Saskatchewan.

The money of the Beef Development Board is deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the Beef Development Board. Interest is paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate for 2004/2005 is 2.19% (2003/2004 is 2.79%).

The Board receives the use of office and administrative services from the Department of Agriculture and Food without charge.

Other transactions with related parties and amounts due to/from them are disclosed separately in the financial statements and notes thereto.

5. Research and Development Projects

Project expenses are as follows:

	2005	2004
Veterinary Infectious Disease Organization - University of Saskatchewan	$ —	$ 19,200
University of Saskatchewan	95,095	37,291
Western Beef Development Centre	46,315	25,000
Saskatchewan Beef Quality Working Group	5,000	40,000
Farm Animal Council of Saskatchewan	16,495	9,500
Saskatchewan Crop Improvement Association Inc.	—	5,936
	$ 162,905	$ 136,927

6. Commitments

At March 31, 2005 the Board has approved projects for payment in the following years:

2005/2006	$55,840
2006/2007	$73,240
2007/2008	$54,665
2008/2009	$48,000
2009/2010	$ 9,600

7. Budget

The Board approved the budget on March 8, 2004.

8. Cash Flow Statement

No cash flow statement is presented because the required cash flow information is readily apparent from the other financial statements.

9. Grants

A one-time non-refundable sponsorship grant of $7,500 was made by the Fund during the year.

Project Payments

Please note: The following project payments represent only the payments made in the 2004-2005 fiscal year. These amounts do not reflect total project contract amounts for these initiatives.

Department of Animal and Poultry Science University of Saskatchewan	Evaluation of the NRC 1996 Feed Requirements for Wintering Beef Cows – Are We Over Feeding Our Cows/Phase 2 Lacombe Alberta	$ 12,000.00
Department of Applied Microbiology and Food Science University of Saskatchewan	Beef Product Quality Program	$ 47,895.00
Farm Animal Council of Saskatchewan (FACS)	Corporate Memberships in FACS	$ 10,000.00
Farm Animal Council of Saskatchewan (FACS)	Cattle Facs	$ 6,495.00
Saskatchewan Beef Quality Working Group	Delivery Of On-Farm Quality Assurance to Saskatchewan Producers	$ 5,000.00
Saskatchewan Innovation Food Program University of Saskatchewan	Value-Added Beef Program	$ 35,200.00
WBDC – PAMI	Economics of Forage Based Production Systems for Saskatchewan	$ 21,315.00
Western Beef Development Centre Inc.	Founding Partner Membership in the Western Beef Development Centre Inc.	$ 25,000.00

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